Review of Gender Pay Disparities at the City of Seattle

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National View of Gender Pay Equity

On a national level in the United States, a woman working full time is paid 77 cents for every dollar of wages a man earns for performing the same work. The result is a gap in earnings that equates to \$11,084 annually in 'lost' wages for women. According to a recent article in the New York Times, "four in 10 American households with children under age 18 now include a mother who is either the sole or primary earner for her family, according to a <u>Pew Research Center</u> <u>analysis</u> of Census and polling data released [May 29, 2013]. This share, the highest on record, has quadrupled since 1960." So while women are tasked with supporting a household, they are blocked from their full earning potential in the workplace.

Seattle Gender Pay Equity

Seattle's economy is incredibly diverse from startup companies to Fortune 500 industry titans. As a community we have a culture that places value on fairness, equity, and inclusivity. In April of 2013, the National Partnership for Women and Families (NPWF) published a report entitled 'Seattle Women and the Wage Gap.' The report caught many in the community off guard. NPWF found:

"In the Seattle metro area on average, a woman who holds a full-time job is paid \$44,535 per year while a man who holds a full-time job is paid \$60,881 per year. This means that women in the Seattle area are paid 73 cents for every dollar paid to men in the area, amounting to a yearly gap of \$16,346 between men and women who work full time."

According to the American Community Survey 1 year estimates by the U.S. Census Bureau (2012), Seattle had 141,949 households headed by women. According to that same census report, approximately 23% of those households have incomes that fall below the poverty level. The NWPF study has ranked Seattle as having the widest gender wage gap among the nation's 50 largest metropolitan areas. Per NPWF, if the gap in earnings could be reduced or eliminated it would equate to more food on the table, more fuel in a vehicle, and additional mortgage payments.

Call to Action

On May 1, 2013 Mayor McGinn requested that the Personnel Department review the salaries earned by City of Seattle employees to determine if there are any gender-based salary disparities.

Methodology

The goal of the study was to answer a fundamental question regarding the occurrence and magnitude of gender pay inequity within the community of employees at the City. This is meant as a first step toward more a broad analysis based on these findings to determine factors that may have led to any discovered inequities. As such, the report should be viewed as part of a series of steps and data analysis events the City is engaging in to improve the overall equity of pay for city employees. It should also be noted that the data examined was a single snapshot of employee data. The impact of vacant positions was not evaluated.

 $^{^{1}}$ http://www.nytimes.com/2013/05/30/business/economy/women-as-family-breadwinner-on-the-rise-study-says.html? r=0

This study includes 871 job classes representing all City positions in the Executive, Legislative and Judicial Branches except the Library and positions identified as temporary. Seattle employs 9,885 regular employees with a gender breakdown of 3,600 women (36.4%) and 6,285 men (63.6%).

We examined wages paid to men and women in the same job classes, characteristically performing the same work, as well as across job classes. The charts included in the appendices exclude data where the difference in pay was less than 1%; however these data are included for evaluation purposes in the study.

We divided the City's employee population into groups by age, department, Federal EEO Reporting Categories, discretionary pay titles, bargaining unit, comparison to median wage, and job class.

Summary of Evaluation Study

A gap in wages and earning between men and women employed by the City of Seattle exists. The overall difference in the average wage paid to women and men is 9.5%, with men paid the higher average rate.

There are 95 (10.9%) *job classes* where men are paid more than 1% more than women (Appendix 1). These classes represent 723 women and 699 men and an average pay difference of 4.49%.

There are 103 (11.8%) classes where women are paid greater than 1% more than men. These classes represent 1291 men and 770 women and an average pay difference of 3.99%.

The data was evaluated by *department* and several departments have larger wage gaps between genders than others. At Seattle City Light the difference is 11%. At the Department of Planning and Development, the difference is 11%. At the Seattle Police Department the difference is 21%. (Appendix 2)

The data was evaluated for evidence that relates to *age* as a contributing factor to a disparity in wages or earnings between men and women. There are three age groups impacted above 9.5% for wage disparity. Further analysis will be required to assess the data. (Appendix 3)

The data was evaluated for evidence that relates to *Federal EEO reporting categories*, and when grouped according to Federal reporting categories, some job groupings show a marked difference in wages between genders: Men in the Officials and Administrator category earn significantly more than females in the Fire, Police, Personnel, Intergovernmental Relations departments. Women in the Protective Services category earn more in the Fire Department and are at parity in the Police Department. (Appendix 4)

The data was evaluated by discretionary pay and step progression job classifications. The difference between average wages paid to men and women in the discretionary pay programs is 3.8%; in the step progression classes is 13%. (Appendix 5)

Conclusions and Recommendations

There is a difference in pay for City employees, with women paid 9.5% less, on average, than men. The factors that contribute to this gap are multi-directional: in the cases where women on average

² Library positions have been excluded because their salary administration is overseen by by the Library Board and not by City government.

exceed men in earnings, the overall departmental wages are generally lower. An example of this is Seattle Parks Department where women on average earn \$28.56 per hour and men earn on average \$27.62 per hour—a difference of \$0.94 per hour, or 3%.

In departments where men out earn their female counterparts on average the overall departmental wages are higher. An example of this is Seattle City Light where women on average earn \$36.56 per hour and men earn \$41.13 per hour, a difference of \$4.57 per hour or 11%.

The demographic profile for employees of the City of Seattle is 2/3 male and 1/3 female with more men in classes of employment that have typically higher wages.

These preliminary findings confirm that issues of gender pay equity may have root in many areas that must be explored further. The recommendation is for the City to engage internal and external experts to aid in analyzing the data and identify the contributing factors and possible remedies.